

PRIME MINISTER

1 August 1984

THE COAL DISPUTE

As we enter August, Scargill and his militants are becoming increasingly isolated and frustrated. The Government is no longer perceived as being on the defensive and it is clear to all that we are engaged in a political rather than an industrial strike.

The collapse of the docks' strike, the failure of the NCB/NUM talks and the higher profile adopted by the Government have all contributed to this change of mood. The instigation of civil proceedings has re-emphasised that the NUM is not above the law and that secondary picketing is unacceptable. It is extremely helpful that these actions are being taken by small independent employers.

All this should be set against an encouraging endurance background. We are in a strong position and we should be able to withstand this strike well into 1985 and probably longer.

In this situation, we must continue to press home the futility of this dispute for the majority of moderate miners.

1. The Return to Work

The return to work remains a trickle - not much more than 500 during July. Scotland (with the exception of Bilston Glen), the North East, North Yorkshire, Doncaster, Barnsley, South Yorkshire and South Wales are all solidly on strike. North Nottinghamshire, South Nottinghamshire and South Midlands (with the exception of Kent) are solidly at work and producing coal.

This leaves North Derbyshire and the Western region where the position is:

	<u>Producing normally</u>	<u>Some Production</u>	<u>Men but no Production</u>	<u>On Strike</u>
<u>North Derbyshire</u>	-	3	2	4
<u>Western</u>				
Lancashire	2	2	-	2
Staffordshire	5	1	1	-
North Wales	1	-	-	1
Cumbria	1	-	-	-

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Any campaign for a return to work should therefore concentrate on these areas. A significant return to work which isolated Scotland, Yorkshire, the North East, South Wales and Kent would put us in a position where we could not lose. Endurance would be secure. If this situation could be achieved, we would expect the strike to begin to crumble either through splits in the NUM or by a more general return to work.

2. Redundancies and Closures

Although we are in a strong position, this strike is causing damage to the economy and to the mining industry. With the failure of talks and faced with Scargill's ever increasing demands, the NCB should now adopt a tougher approach to redundancies and pit closures. This would have the twin advantage of ensuring that we gain something from this long dispute and would also convince moderate mining opinion that the strikers cannot win.

We have demonstrated that there is nothing to stop the NCB introducing the redundancy programme during the dispute but that this has so far not been their policy. This policy should now be reversed.

The judgement on pit closures is more difficult and the NCB are reluctant to abandon the colliery review procedure which has served them well in the past. This requires consultation between local management and the NUM before any pits are closed. The NUM would certainly boycott any review procedure during the dispute.

Nevertheless, the Board could still uphold the principle of review procedures but with the non-attendance of the NUM. It is difficult to see what the Coal Board would lose if it adopted this course. Closing uneconomic pits in militant areas would not affect the Nottinghamshire miners. Nor is it likely to affect the slow return to work in the less militant areas.

3. Open Cast

There has been much talk but little action on open cast. We must accelerate our development of open cast mining in this country. It is both economic and will reduce our dependency on the NUM.

Recommendations

1. A detailed return to work campaign should be focussed on North Derbyshire and the Western Region (principally Lancashire and Staffordshire).

SECRET

- 3 -

2. The NCB should press ahead with voluntary redundancies and closure of uneconomic pits in militant areas.
3. The development of open cast mining should be accelerated.

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